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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1940.

No. 505

JOHANNES B. KESSEL and LOUIS HOFFBERG,
Petitioners,
vs.

VIDRIO PRODUCTS CORPORATION,
Respondent.

BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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*To the Honorable the Chief Justice and Associate Justices
of the Supreme Court of the United States:*

SUPPLEMENTAL STATEMENT OF THE CASE.

While Kessel patent 2,134,048 issued upon a sole application, its claims were prosecuted through the Patent Office in the earlier co-pending joint Kessel and Goldblatt application Serial No. 64,244 (paragraph 23 of the stipulation, Pltfs. Exh. 9, Rec. 268). As was pointed out by the Court of Appeals (Rec. 430), the file of the application on which the patent issued is void of reference, and it is to the earlier co-pending application that we must look to determine the meaning and scope of the claims in suit.

Claims 2, 5, 7 and 9 of the Kessel patent are the only

claims in issue. The real point of the controversy is whether the language in the claims defining the fan as "disposed above the motor" for "forcing the same" (the air) "directly against said closure" is a material limitation to be strictly construed in view of the proceedings in the Patent Office.

OPINIONS OF THE COURTS BELOW.

The opinion of the Circuit Court of Appeals for the Seventh Circuit was filed June 5, 1940, is reported in 113 Fed. (2d) 381, and appears in the record here at page 430. The patent has never before been adjudicated.

JURISDICTION.

The grounds for jurisdiction are set out on page 2 of the petition for certiorari.

SUMMARY OF ARGUMENT.

I. Effect of the Findings of Fact.

The Circuit Court of Appeals did not overrule the findings of fact of the District Court as to Kessel's contribution to the art, but rather found a consideration of the bounds of such contribution not necessary to its holding of non-infringement, which holding was grounded on Kessel's disclaimer of such contribution during the proceedings in the Patent Office and the voluntary limitation of his claims to a specific arrangement of parts not employed by defendant.

Moreover, findings as to invention and infringement are mixed conclusions of law and fact, and are not entitled to as much weight as findings of ultimate facts.

II. The Law re File Estoppels.

Any difference between the holding here and that in other decisions as to estoppel is the result of differences in the facts rather than the law. The rule is that, while amendments not directed to the point of distinction on which the patent was allowed will be given as broad a construction as is permitted by the prior art, *amendments directed to the point of the invention and disclaiming certain coverage in order to secure a patent will be strictly construed.* That is, a patentee who, after repeated rejection by the Patent Office, has disclaimed certain coverage in order to secure his patent, is thereafter estopped to construe a narrowed claim in such a way as to make it equivalent in scope to a broader cancelled claim.

III. The Value of the Patent.

While a licensee or assignor may not deny validity of a patent, that is as far as the estoppel goes; and such a party is free to make the defense of non-infringement, and use prior art and the file to show the scope of the claims.

The construction given the Kessel claims by the Circuit Court of Appeals does not render the patent worthless, respondent having manufactured and sold thousands of washing machines (on which royalties were paid) covered by the claims as thus construed.

ARGUMENT.

Preface.

The invention now urged by petitioners, recirculation of air, is not the invention secured by the patent in suit and covered by its claims. The invention urged in the Patent Office was the forcing of a *blast* of air *directly* against the cover of the washing machine, by a fan mounted *above the motor* on a vertical axis, in order to achieve the maximum possible cooling of the cover.

As the prosecution in the Patent Office proceeded (application Serial No. 64,244, Pltfs. Ex. 10, a physical exhibit) art was cited (Engberg patent 1,903,987, Rec. 396-406) which showed every element of the claims as originally filed, including cooling of the motor by a fan on its shaft, and some incidental cooling of the closure. It was only as a result of amendment and *limitation as to the specific position and operation of the fan* that the claims were allowed by the Patent Office; and claims *identical in all other respects except for this limitation* had been repeatedly rejected despite much the same kind of arguments here being presented, and were voluntarily cancelled by Kessel.

By such action the patentee *disclaimed* any structure and arrangement other than one where the fan was mounted above the motor to force its *main blast* of air *directly down* against the closure at the bottom of the machinery compartment, and may not now, in the words of this Court in *I. T. S. Rubber Company v. Essex Rubber Co.*, 272 U. S. 430, 443:

“by construction, or by resort to the doctrine of equivalents, give to the claim the larger scope which it might have had without the amendments which amount to a disclaimer.”

I. Effect of the Findings of Fact.

The findings of the District Court, urged by petitioners, are directed to the breadth of Kessel's *contribution* as compared with the prior art, and ignore the fact that the location of the motor and fan and the direction in which its blast of air was driven is the difference from Engberg prior art patent 1,903,987 (Rec. 396-406), which was argued to be so important, and to which specific arrangement the claims were amended after rejection in the Patent Office.

The trial judge's views in this regard were clearly considered by the Circuit Court of Appeals, some of the District Court's language being quoted in the opinion of the Court of Appeals (Rec. 431, near the bottom of the page). The Court of Appeals then went on, however, (Rec. 431-433) to point out that, regardless of what metes and bounds might now be worked out for the Kessel invention, in the proceedings in the Patent Office (to quote from its opinion, Rec. 433), "by his acceptance of the suggestions of the Patent Office, Kessel has disclaimed everything other than the specific arrangement disclosed in his amended claims and is now estopped to assert that they cover a device in which the fan is placed upon a horizontal axis". The Circuit Court of Appeals did not overrule or overlook the District Court's findings that Kessel may have made a certain *contribution to the art* over and beyond the Engberg prior art patent. Instead, the Circuit Court of Appeals rested its decision on disclaimer and estoppel, saying that *regardless* of what area was covered by Kessel's contribution to the art he had voluntarily disclaimed, in the Patent Office, all but a particular corner of it, the specific arrangement where the motor was on a vertical or substantially vertical axis with the fan above it to drive its main blast of air directly against the closure at the bottom of the machinery compartment.

In addition to the fact that the Circuit Court of Appeals found non-infringement on this different ground, it is submitted that the kind of findings of fact here quoted by petitioners are not the kind entitled to great weight under Rule 52 of the Rules of Civil Procedure. Findings as to infringement and invention present mixed questions of law and fact, rather than being ultimate facts alone. There can be no real controversy as to the ultimate facts in this patent case (prior art patents and the structure of the accused machine), and these are available to the Circuit Court of Appeals to the same extent as to the District Court. The situation with respect to findings of invention and infringement, which are really more conclusions than ultimate facts, is thus considerably different from the finding of an ultimate fact in an accident case or similar situation involving conflict of testimony.

The opinion of the Court of Appeals (Rec. 430-434) shows that careful study was given to the patent in suit and to its file and that of the preceding joint application, and to what the District Court had in mind; and careful comparison of the claims in suit, limited as they must be by the proceedings in the Patent Office and by the prior art, was made with the accused washing machine. After this careful consideration the Circuit Court of Appeals for the Seventh Circuit found that the claims were not infringed, and it seems to us that any findings of the District Court which might be construed to be in conflict with the Court of Appeals' decision were set aside as clearly erroneous, not that there was any "overlooking or disregarding" (in petitioners' language) of the findings of the District Court.

II. The Law re File Estoppels.

We have no quarrel with the principle of law that a patentee may secure by an amended claim every useful improvement which he has invented which is not disclosed by the prior references (page 11 of the petition and brief). But petitioners overlook the fact that this principle of law is subject to the qualification that, *if certain portions or areas of the improvement made by applicant are disclaimed in the Patent Office in order to secure a patent*, these areas may not subsequently be reclaimed. This principle has been enunciated by this Court several times, being stated concisely by Mr. Justice Shiras in the case of *Hubbell v. United States*, (1900) 179 U. S. 77, 80:

“It is well settled that the claim as allowed must be read and interpreted with reference to the rejected claim and to the prior state of the art, and *cannot be so construed as to cover either what was rejected by the Patent Office or disclosed by the prior devices.*”
(Italics ours.)

Broader claims calling for all of the elements of these washing machines, and almost identical with those which finally issued in the patent, were presented to the Patent Office and argued to distinguish from Engberg's prior patent on the same kind of arguments here presented (application Serial No. 64,244, Plts. Ex. 10, a physical exhibit). Upon repeated rejection the claims were amended to define the cooling fan as “above the motor” so that its main blast of air would be “directed * * * against the * * * cover”, some of the claims further defining the fan and motor as being on a vertical axis. Defendant's accused machine clearly does not have its fan located as called for in this language, but instead has the motor and fan off to one side of the machinery compartment with the fan merely to cool the motor, its blast of air being directed *straight across* the compartment and *not down against the closure* at the bottom of the compartment. The question in issue,

therefore, is whether the patentee should be permitted to make use of the doctrine of equivalents to a point where the patent claim is of the same scope as claims rejected by the Patent Office and voluntarily cancelled.

Upon repeated rejection claims otherwise identical with those in the patent were cancelled and claims substituted therefor including the language quoted in the preceding paragraph, it then being argued that this specific arrangement of parts was the key to Kessel's invention (page 10 of the amendment dated April 22, 1936, application Serial No. 64,244, Pltfs. Ex. 10, a physical exhibit), and that "applicant's inventive idea of discharging air currents against the closure to cool or reduce the temperature thereof is not disclosed" in the Engberg prior art patent. It was on this basis that the claim was allowed and, as was said by the Circuit Court of Appeals in its opinion (Rec. 433, bottom of the page), "to attribute to Kessel now this wider conception, wherein the fan might well be placed on the side as well as at the top, is to ignore the very distinguishing element which led to the granting of this patent."

In holding that Kessel's claim could not be construed, under the doctrine of equivalents, broadly enough to have a scope exactly coincident with claims cancelled because of their rejection in the Patent Office, the Circuit Court of Appeals quoted (Rec. 433) the language of Mr. Justice Sanford in *I. T. S. Rubber Co.*, 272 U. S. 430, 433, as follows:

"Where an applicant whose claim is rejected on reference to a prior patent, without objection or appeal, voluntarily restricts himself by an amendment of his claim to a specific structure, having thus narrowed his claim in order to obtain a patent, he 'may not by construction, or by resort to the doctrine of equivalents, give to the claim the larger scope which it might have had without the amendments which amount to a disclaimer.' *Weber Electric Co. v. Freeman Electric Co.* 256 U. S. 668, 677, 65 L. ed. 1162, 1167, 41 Sup. Ct. Rep. 600."

It is submitted that there is no diversity or conflict of law between the decision of the Seventh Circuit Court of Appeals and those of other circuits in this regard, as urged by petitioners.

The rule is that where some adjective or descriptive phrase was inserted by amendment it may be given considerable breadth of construction as to equivalents *where it was not the real feature of distinction on which the patent was granted*. That is, immaterial limitations resulting from mere change of phraseology or description are not strictly construed. To the contrary, however, *limitations which are inserted into the claim to provide the only differentiation from the prior art, inserted after repeated rejection and cancellation of broader claims not including such limitation, are to be strictly construed*; and that is the situation here.

The cases cited by petitioners clearly recognize this rule, the cases chosen being ones in which the Court said that the facts there involved rendered the language in issue of the immaterial rather than material type. The other portion of the rule under which the facts of the case here fall was set out by the courts in each of the cases cited by petitioners, generally in the sentence or two immediately preceding the language quoted by petitioners in their brief.

In the case of *Drum v. Turner* (C. C. A. 8th), 219 F. 188, 191, for example, the language of the opinion immediately preceding that quoted by petitioners is as follows:

“The rule by which this question must be answered is that a patentee who acquiesces in the rejection of his claim on a reference cited in the Patent Office and accepts a patent on an amended claim is thereby estopped from maintaining that the latter claim covers the device shown in the reference and that it has the breadth of the original claim.”

It is respectfully submitted that there is no conflict of law between the circuits with respect to the rule of law

applicable here. The differing facts of various cases, of course result in the language in issue in some cases being given a broad range of equivalents as not being the material and key limitation of the claim, and the language in issue in other cases as being strictly restricted as being the sole point on which the claims were allowed or the sole differentiation from claims voluntarily surrendered, as here.

III. The Value of the Patent.

Petitioners, on the last page of their brief, urge as applicable here the "principle of law that an assignor or licensee cannot urge such a narrow construction of the claims of a patent as to destroy the patent grant."

The rule, of course, is that a licensee or an assignor is estopped to deny *validity* of a patent, just as the lessee of a piece of property is estopped to deny his landlord's title. The estoppel goes no further than this, however. There are numerous cases to the effect that prior art and file wrapper estoppels are open to a licensee as freely as to a stranger to the patent to show the true scope of a claim, and whether or not it is infringed. A case where this question was squarely considered was that of *American Specialty Stamping Co. v. New England Enameling Co.* (C. C. A. 2nd, 1910), 176 Fed. 557, 558, where Judge Lacombe said:

"While defendant may not dispute the validity of the patent, nor such a construction of its claims as will cover kettles of the type it first made, it may show, if it can, that those of the later type are not within the patent; and in considering this question the court may look into the prior art and *construe the specifications in the light of the file wrapper*, in order to determine whether the new style of kettle also infringes the patent." (Italics ours.)

The law was settled in the same way with respect to assignor-assignee relationships by the case of *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.* (1924), 266 U. S. 342, 351, where Mr. Chief Justice Taft said:

"Of course, the state of the art cannot be used to destroy the patent and defeat the grant, because the assignor is estopped to do this. *But the state of the art may be used to construe and narrow the claims of the patent, conceding their validity. The distinction may be a nice one, but seems to be workable.*" (Italics ours.)

Because of these relationships respondent is not free to deny that Kessel made a contribution to the washing machine art; but respondent is free to show that claims of the issued patent are restricted by prior art or by *disclaimers and estoppels* to a certain area, and that its accused machine is not within that area. Respondent manufactured and sold thousands of washing machines corresponding exactly to the arrangement shown in the Kessel patent, and admitted to be within the scope of his claims. On these machines, its Model W 600, respondent paid the agreed royalty; and that the construction of the claims made by the Circuit Court of Appeals below *does not render the patent worthless* is testified to by the sale of these thousands of washing machines. Respondent's Model 700 machine here accused, however, is not within the claims of the Kessel patent, and so respondent should not be forced to pay tribute thereon.

Conclusion.

We respectfully submit that the Circuit Court of Appeals for the Seventh Circuit gave due regard to the findings of the District Court and to the rule of law with respect to file wrapper estoppels, and correctly decided that the claims here in issue were voluntarily restricted by amendment and argument in the Patent Office in a material way which now requires such limitation of their construction that respondent's accused machine does not infringe.

This is just the usual patent case; there is no question of public interest involved, nor is there any close principle of law (or one of general interest) to be considered. The Court of Appeals, after a full hearing, held the accused device was not within the patent; and the petition for certiorari should be denied.

October 29, 1940.

Respectfully submitted,

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